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NATIONAL AFFAIRS

THE NATION

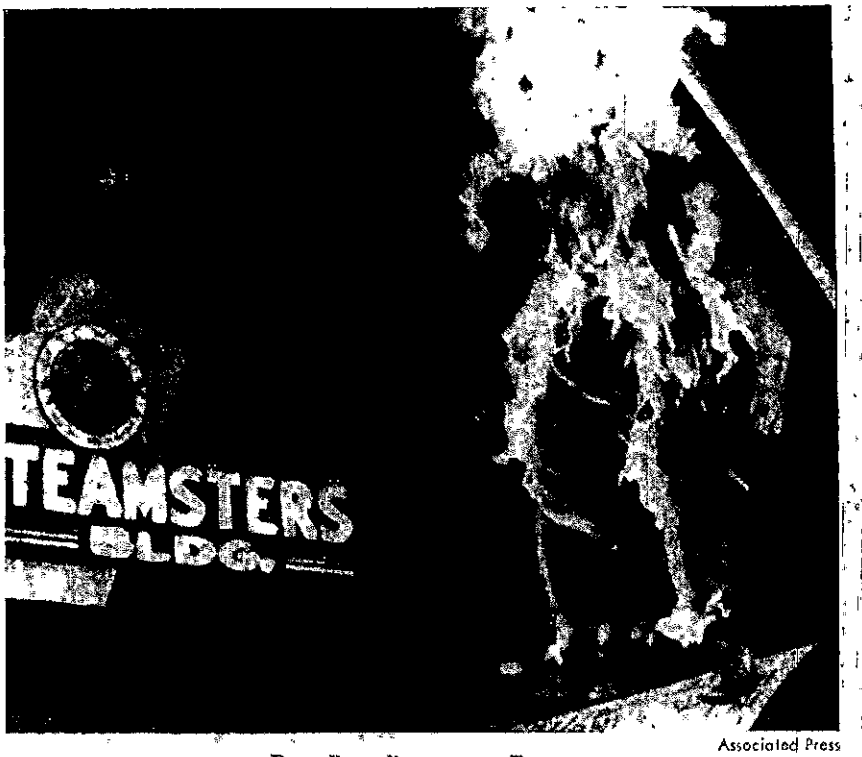
Labor on Trial

With fascination and with deep concern the U.S. watched Senate investigators unfolding an ever-spreading picture of corruption and abuse in the powerful International Brotherhood of Teamsters. Not since the investigation of the finagling tycoons of the '20s and '30s had so many serious questions been raised against men in a position to wield great influence on the U.S. economy.

The focus last week was on a pink-pated labor boss named Dave Beck, president of the 1,400,000-man Teamsters Union, who arrogantly refused to answer a Senate committee's questions about misconduct and misuse of union funds that overlay much more serious implications of abuse of power. As Beck ducked behind the Fifth Amendment, the Americans who writhed most were the other leaders of organized labor, who feared that what was going on and what was disclosed might give all of labor a bad name. "We are in Gethsemane," said one A.F.L.-C.I.O leader. "We can't do a thing until this mess is cleared up."

"A Terrible Price." Wearing worried frowns, the top brass of the A.F.L.-C.I.O. Executive Council—speaking for 15 million organized workers—gathered around their huge, elliptical conference table in Washington to survey the damage and see what they could do. "There are too many people," said the Auto Workers' Walter Reuther, "who will use this current exposé of Teamsters' corruption to exploit their own purposes—to try to restrict the entire labor movement." The Electrical Workers' Jim Carey added: "It is absolutely necessary that we denounce, and renounce such characters or we will pay a terrible price for permitting ourselves to be associated in the public eye with these phonies and criminals." Summed up George Meany, A.F.L.-C.I.O. president: "A shocking story."

In this climate the leaders of labor quickly agreed to: 1) file intramural charges against Beck in his capacity as a vice president of the A.F.L.-C.I.O. for "bringing the labor movement into disrepute"; 2) suspend Beck as an A.F.L.-C.I.O. vice president pending a verdict; 3) direct the A.F.L.-C.I.O. Ethical Practices Committee to investigate whether Beck's Teamsters Union is "substantially dominated or controlled by corrupt influences."



Associated Press

DAVE BECK BURNING IN EFFIGY
Around labor's table, worried frowns.

Within Beck's own union, there were uneasy stirrings. "They ought to hang Beck," said one Irish-American teamster in Local 682 in St. Louis. In Local 524 in Yakima, Wash., the teamsters did just that, stringing up an effigy of Beck and setting it afire with cigarette lighters. "Beck's been talking about us paying for his defense fund," growled a Seattle taxi driver. "We been hanging around the cab stands all day trying to figure out how to slip some dough to the prosecution." Said a truck driver in Portland, Ore.: "It's high time that somebody finds out what's happening to the $5.50 a month I shell out in dues." As Dave Beck headed back home to Seattle, he proclaimed that he would raise $1,000,000 to tell "the facts," but his own secretary-treasurer said he would oppose any such use of union funds.

A Growing Opinion. What really bothered labor was what the public might be thinking, and what Congress and state legislatures might do. One day last week the House Education and Labor Committee announced that it would soon start up a new probe into the administration of union welfare funds. Labor Secretary James P. Mitchell let it be known that his department was studying several different types of possible legislation. Beyond that, there was talk of tougher measures that labor experts ranging up to Secretary Mitchell deem restrictive, *e.g.*, amendment of the Clayton Act so as to make labor unions subject, along with business, to monopoly laws. Said a high-ranking Government economist: "In the hands of one man there is the power to withhold all labor from an industry. That's a terrific amount of power."

Perhaps the labor leaders' greatest fear was the possibility of a move for a federal "right-to-work law," or of new and strong support for the sort of right-to-work laws, banning the union shop, that are already on the books in 18 states and are pending in others (*e.g.*, Delaware and Illinois). Their concern was not without cause. Clearly, there was a growing opinion in the U.S. that, regardless of the good intentions of most union leaders, some sort of machinery ought to be set up to check and balance the power of big labor.

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LABOR

Dave & the Green Stuff

(See Cover)

As he rolled his rutabaga shape (5 ft. 8 in., 187 lbs.) through the crowd in the U.S. Senate's caucus room, David Daniel Beck had his three-diamond ring turned into the palm of his left hand ("I always wear it that way because the light flashes in my eyes"). In his lightweight, grey, tailor-made suit,* his double teardrop (one white, one red) cravat and his toothiest smile, Teamster Boss Beck was the picture of resplendent confidence. "Are you nervous?" asked a reporter. "Nervous?" barked Beck: "Me? Haw!"

Minutes later, bellied up to a witness table for two days of testimony before the Special Senate committee investigating labor racketeering in general—and Dave Beck in particular—tough Teamster Beck began tapping his black shoes in nervous rhythm, and clasping his soft hands tightly in front of him to conceal their trembling. In an opening statement Committee Chairman John McClellan had said enough to set the toughest nerves to twitching: the committee had information indicating that "the president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, the largest and most powerful union in our country, may have misappropriated over $320,000 of union funds."

Pavlov's Dog. At Dave Beck's side was a brown leather briefcase bulging with the personal financial records that the committee had asked him to bring. Ordered to turn them over, the witness unfolded a slip of white paper with the seven lines of large type that he had said earlier would "encompass the whole atmosphere of everything."

Gurgily, Beck read: "I must decline to do so because this committee lacks jurisdiction or authority under Articles 1, 2 and 3 of the Constitution, and, further, because my rights and privileges granted by the Constitution as supplemented by the Fourth and Fifth Amendments are violated."

McClellan leaned forward, frowned, framed his question: "The chair wants to know if you honestly believe that the submission of your records to this committee might tend to incriminate you." Beck had no doubts. "Yes," he replied. "I think very definitely so."

During his appearance before the McClellan committee, Dave Beck was to decline out the prepared statement time after time, although his shrill combativeness often brought him perilously close to breaking the routine. "Do you," asked Chairman McClellan at one point, "regard your privileges under the Fifth Amendment as transcending your duty and obligations to the laboring men of this country who belong to your union?" Beck's rare roast-beef face turned an even deeper shade, his head shot forward, his lips moved as he shaped an outraged reply. Just in time, his sad-faced lawyer, Arthur Condon, drove a swift knuckle into the small of Beck's back. Three times Beck started to answer; three times Condon's knuckle dug into his spine. Beck soon developed a sort of Pavlov's-dog response to the knuckle—every time he felt it, he automatically began reading, "I must decline . . ."

Walter Bennett; Edward Clark—Life; International

TEAMSTER BECK AT HEARINGS

"I must decline . . . I must decline . . ."

Purer than Ivory. After his first day, Dave Beck fled the hearing room, shouting as he went: "I'll be able to come out of this clean and white, hundred percent!" He marched across the grounds of the U.S. Capitol to the Teamsters' palatial ($5,500,000) headquarters, whammed shut the elevator door in the face of pursuing newsmen, and went to earth in his third-floor office—a medley of glass, soft colors and rich carpeting.

Beck restlessly paced the office, paused briefly to study a large barometer (its needle pointed about halfway between "Fair" and "Rain," to "Change"), finally sat down at his walnut desk. At his fingertips was a panel of buttons that would 1) connect him with Teamster officials throughout the building, 2) record conversations, 3) draw the drapes, and 4) turn on a 27-in. Fleetwood television set. Beck flicked on the television set, then wolfed down a steak dinner while watching Kinescopes of his performance before the McClellan committee.

Shortly after 8 o'clock a friend drove Beck to the $450-a-month Woodner Apartments suite, on 16th Street in Northwest Washington, which is maintained for his exclusive use (although he spends only three or four days a month in Washington, operates most of the time out of his Seattle headquarters). He conferred with his old friend and chief counsel, Pennsylvania's ex-Senator James Duff, 74,* whose name Beck had dropped insistently before the committee. (Duff stayed away from the hearings on the ground that it would be poor taste for him to appear before his recent colleagues.) After phoning his wife Dorothy in Seattle, Beck turned in early for a full eight hours' sleep before returning to the McClellan committee.

Moral Nylons. Next morning there was a clanging overture to Beck's appearance on the witness stand. The committee had called up Nathan Shefferman, 69, a Chicago labor-relations consultant with a dreary voice and a dim memory. In Shefferman's business, representing employers in their dealings with organized labor, the boss of the mighty I.B.T. was obviously a good man to know. And Shefferman had certainly gone out of his way to cultivate Dave Beck. In 1949-50, for example, Shefferman made Beck a handsome gift of $24,500. Why? Said Shefferman: "Mr. Beck, if you will permit me, is a terrific personality . . . He is very attentive to his friends and very generous to his folks

* All of Beck's 18 suits are specially cut to cover the fact that "one shoulder is higher than the other from carrying papers when I was a kid."

* Republican Duff and Massachusetts' Democratic Representative John McCormack, the House majority leader, were the only 1956 congressional candidates to get the formal endorsement of Beck's International Brotherhood.

and people who surround him. [Laughter] Now this is no laughing matter."

Laughing loudest of all was Dave Beck. Seated two rows behind Shefferman, and he kept chortling even while Shefferman admitted that he had acted as Beck's purchasing agent ("I don't like the word 'procuring'") on items ranging from sheet roofing ($1,431) to a "thingamajig" for Dave Beck Jr.'s camera. Haltingly, Shefferman went over the list of purchases: "Now, shirts, yes, he wears pretty good shirts. Coldspots and radios; golf balls. I don't think he plays golf, so he must be, very generous and gave away the golf balls. Yes, and two silk shirts. Yes, and sheets and cases, Bendix washer, football tickets . . . 21 pairs of nylons. Well, wait a minute, gentlemen. Please, the implication—I happen to know Mr. Beck is a moral man, and so it was perfectly all right . . ."

Money Merry-Go-Round. About all this, Dave Beck on the witness stand continued to shrill. "I must decline . . ." The McClellan committee had fully expected him to invoke the Fifth Amendment, but it was determined to place in the record the results of months of fact-dredging and check-tracing by its skilled staff. Therefore Committee Counsel Robert Kennedy (*see box*) outlined the McClellan committee's case-in-chief against Teamster Dave Beck—and made public one of the most fantastic money merry-go-rounds in congressional investigation history.

Questioning Beck, Counsel Kennedy drew this pattern: from 1948 to 1953 Beck took $196,000 in Teamsters' funds to pay Contractor John Lindsay for work done on Beck's lakefront Seattle Compound. In March 1954 Internal Revenue agents began looking into Beck's affairs—and Dave decided he had better get things straightened out with his union. Beck went to the Fruehauf Trailer Co. of Detroit and asked to borrow $200,000. The Fruehauf people were only too glad to oblige, since the Teamsters, at Beck's command, had lent the company $1,500,000 in 1953. But Fruehauf did not, in fact, have $200,000 it could spare, so its officers went to the Brown Equipment & Manufacturing Co., a tractor outfit in New York. The Brown firm made four checks for $50,000 each, which were turned over to Beck. Beck in turn returned the money to the Teamsters via his own B & B Investment Co. Then the Brown Company began pressing for repayment, and Beck had to come up with another scheme.

His solution, according to Kennedy: Beck "had the idea of selling his house to the union, which, of course, the union had paid for originally, or at least a part of it." The price was $163,000, and Dave Beck also got the right to live the rest of his life in that same home—rent-free.

Asked if Kennedy had given a correct accounting, Dave Beck cried again, "I must decline . . ." His appearance before the McClellan committee was almost over (at least until the committee resumes its hearings, probably in early May). But before Beck could depart for Seattle, he had first to listen to a fitting farewell

THE BOSTON TERRIER
Bob Kennedy Barks—& Bites

WALTER BENNETT

ON a sweltering day in Washington last summer Reporter Clark Mollenhoff of the Des Moines *Register* strolled into the offices of the U.S. Senate's Permanent Subcommittee on Investigations to see the chief counsel, Robert Francis Kennedy. Things were kind of quiet around town, said Mollenhoff: there must be something worth investigating. Asked Kennedy: "Have you any ideas?" Mollenhoff, who had been writing stories about corruption and abuses in the International Brotherhood of Teamsters for six years, indeed had an idea: the Teamsters. He showed Kennedy some of his clippings, and emphasized the national significance of what newsmen had been digging up in Portland, Ore. Bob Kennedy promptly called together his staff, and an investigation was born.

From that day on Bob Kennedy, 31, a lawyer with the true prosecutor's instinct for the jugular, has been a formidable pursuer of the bosses of the powerful Teamsters Union. Son of Boston Millionaire Joseph P. Kennedy (who was F.D.R.'s ambassador to Great Britain), younger brother of Massachusetts' U.S. Senator John Kennedy, Investigator Bob is an average package (5 ft. 10 in., 150 lbs.) full of far more than average energy. At Harvard he played end on the varsity team, though he then weighed only 160 lbs. As a Navy seaman in 1945, he went directly to the Secretary of the Navy to be assigned to the destroyer named for his late brother Joe, a Navy flyer killed in operations in 1944. Out of the University of Virginia Law School (class of '51), Bob spent a year with the Justice Department, resigned to manage brother Jack's successful senatorial campaign, then landed a job with the Senate Subcommittee. He worked as calmly as he could under Joe McCarthy's Chief Counsel Roy Cohn, who taunted Kennedy as "a cute kid," complained that Kennedy did not like him. Bristling like a Boston terrier, Kennedy retorted: "If I have any dislike, it's well justified."

Under the Bed. Armed with supreme self-confidence and an initial $350,000 appropriation, Kennedy sent his staff legmen into a dozen cities, headed west himself to tackle Teamster chieftains on their home grounds. One day in the west, he knocked at the door of a labor racketeer, was stopped at the doorstep by a suspicious wife. Kennedy sniffed a favorite aroma from her kitchen: chocolate sauce. With a connoisseur's transfixed expression, he begged a sample, tasted a spoonful, pronounced it "the best chocolate I've ever tasted." The woman let him inside, gave a rundown on her absent husband's activities.

Kennedy's investigators were full of such tricks. Once they interviewed an Army corporal who passed on idle chitchat from a girl he met at a dance. She was maid for a woman employed by the Teamsters; under the woman's bed was a stack of their records. Anxious to inspect any Teamster file, Kennedy got the corporal to continue dating the maid (although the soldier complained that she was no bargain), arranged to have a staff member accompany them and the maid's girl friend on a double date. Capping the evening at the Teamster employee's home, the corporal kept the girls amused while Kennedy's investigator feigned illness, staggered to the bedroom for a quick look at the records under the bed.

"We'll Prove It." Working 17-hour days, Investigator Bob Kennedy hopped back and forth across the country drawing together the findings. When the pieces of the Teamster puzzle began to fall into place, Kennedy returned to Washington, resumed a routine that was as strenuous as his field work. Rising at 6:45 a.m. at his McLean, Va. home, he went horseback riding with his wife Ethel (they have five children ranging from six months to five years) before going to the office, divided his day between hearings and office work, *e.g.*, checking the 500 tips (one-third worthwhile) pouring in each day. Since they have a staff of servants at home, Mrs. Kennedy has sat in at almost all of the Teamster hearings to watch her husband at work. In the hearing room, Kennedy took a terrier grip on recalcitrant witnesses, accusing, badgering and interrupting in his high-pitched, bean-and-cod-accented voice, drawing on a remarkable store of information.

Closing the first phase of hearings with Dave Beck last week, Kennedy was surprised not at all to see Beck duck behind the Fifth Amendment. From Counsel Kennedy came a typical reaction: "With the records we have, we'll prove what he would have said if he had talked."

from Senator McClellan. "Mr. Beck," rasped McClellan, "has shown flagrant disregard and disrespect for honest and reputable unionism and for the best interest and welfare of the laboring people of his country."

"The Community Will Suffer." The man thus contemptuously dismissed had in fact spent 30 years as a professional unionist. As president of the Teamsters, with awesome power in transportation, Beck has few equals in his influence on the U.S. economy. He intends to use that influence in his present predicament. "They can make all the goddam fine headlines they want to out of Washington, D.C.," cried Beck. "The way we are now organized we can launch a fight in every nook and corner of America. I've fought and struggled and worked to bring the Teamsters to that position. You can mark my words: Dave Beck and the Teamsters will come out on top, but if we're unfairly pushed, business and the community will suffer."

For Dave Beck, the Teamster wagon has been a perfect vehicle for a ride to power. At its first convention in 1903, with Niagara Falls roaring in the background, the 50,000-member International Brotherhood of Teamsters selected as its first president a 295-lb. cutthroat named Cornelius Shea, who eventually was packed off to Sing Sing for stabbing his mistress 27 times (Shea bungled the job —the girl lived). Next, in 1907, came Irish-born Dan Tobin, who was to hold office for 45 astonishing years. Fond of boasting that he ran the union with only two staffers, Tobin came to rule over an empire that had 1,000,000 members, claimed a net worth of $25 million, and had enormous economic and political power.*

A Bar of Skunk Juice. A significant share of the credit for the Teamsters' growth went to Dave Beck, the red-haired son of a hard-working carpet cleaner and a laundress, who entered the union's ranks by way of a job as a laundry driver, and became West Coast organizer. The jurisdictional labor wars of the 1930s were groin-kicking, skull-cracking, stink-bombing affairs, and Dave Beck's West Coast goon squad was the toughest of the lot. (One of its oldtime mugs last week recalled paying a Northwest trapper $100 a quart for attar of skunk juice to use in stink bombs.) Described as a physical coward by those who have known him long, Beck never suffered so much as a hangnail. But such was the shadow he cast through his goon squad, that the rank-and-file Teamster still thinks of him as "Big Dave."

A Fight for God. Beck was far more than a mere deployer of goon squads. Perhaps more than anyone else, he understood the immense power of the Teamsters in an industrial nation that transports its vital supplies on the wheels of some 10 million trucks. By refusing to deliver those supplies, the Teamsters could strangle business; by refusing to support other unions, the Teamsters could break strikes. Beck took the fullest advantage of his power. A genuine organizational genius, he looked south from his Seattle stronghold and saw how he could force his Teamsters on unorganized Los Angeles by threatening to cut off its supplies from the north. The answer lay in regional organization, and by 1937 Beck had set up an eleven-state Western Teamsters Conference, with himself as chairman. The Teamsters' conference system is Beck's proudest organizational achievement, and he has expanded it to establish feudal baronies in the East, South and Central States.

Walter Bennett

PURCHASING AGENT SIEFFERMAN
"Shirts, yes. Coldspots, radios, nylons."

The day came, in October 1952, when dim-eyed old Dan Tobin could no longer forestall Beck's rise to the throne. Tobin himself placed Beck in nomination for the Teamsters' presidency with a soaring declaration: "There is not the slightest stain on his character. His conscience, I am sure, shines brilliantly in the eyes of God."

Under Beck, the Teamsters have increased their membership to 1,400,000 and their bankroll to more than $35 million. The union's 850 locals include brewery and dairy workers, cannery employees, nutmeat and potato-chip salesmen. "Dave," says another labor leader, "will take anybody he can get his hands on. A 'Teamster' to him is anybody who sleeps on a bed with movable casters."

Even Beck's enemies admit that he has done well for his Teamsters in the way of wages and fringe benefits, and it is upon that fact that Beck justifies all his behavior. Cries he: "Everything else is incidental to wages, hours and improved working conditions for the Teamsters' membership. What are the men getting for what the men are paying?" What the men are getting does not include a say-so in the affairs of their union. Asks Beck: "Why should truck drivers and bottle washers be allowed to make decisions affecting union policy?"

For making the decisions, Beck gets an annual salary of $50,000, pays his field organizers from $15,000 to $20,000 a year (from the union treasury). The result surpasses the average labor officials' wildest dreams. The philosophy of the local Teamster officer, says a seasoned observer, goes something like this: "If I can get some members for a local union, then I can get a charter, then I can get some more members, then I can collect dues, then I can have a union treasury, then I can buy a Cadillac, then I can take trips to Florida to confer with other union leaders." Even New York Labor Extortionist Johnny Dio was willing to put out $20,000 of his own money to start a Teamsters' local. Nobody ever accused Dio of caring about the working stiff; it was simply a first-rate investment.

A Key to Heaven. Over the years, the Teamsters' Boss Beck has labored mightily to achieve a standing of eminent respectability. Unlike his goon-squad lieutenants, he does not smoke, drink, play cards, shoot pool, follow the horses or bestow nylons indiscreetly. Beck and his Teamsters spend lavishly for civic and political purposes, *e.g.*, a cool $1,000,000 pledged to the City of Hope Medical Center near Los Angeles, and (according to McClellan committee testimony) about $500,000 to defeat a right-to-work referendum in Washington State last year. With the notable exception of Washington's ex-Republican Governor Arthur Langlie (who began ringing alarms on Beck 20 years ago), most successful Northwestern politicians are beholden to Dave Beck. In 1946 Washington's Democratic Governor Mon Wallgren appointed Beck to the board of regents of the University of Washington. And in 1950, Dave Beck, who had never completed high school, became president of the board.

Many businessmen came to like good old Dave. To honor Beck's election as the Teamsters' president, more than 600 Seattle business leaders gathered in the Olympic Hotel in December 1952. Co-chairmen were the publishers of the Seattle *Times* and of the *Post-Intelligencer*. Master of ceremonies was Brewer Emil Sick, chief beneficiary of the Beck-directed union war of the 1930s, when Beck permitted "not a single goddam drop" of Brewery Workers' Union beer to enter the Northwest from California or the East. Cried Sick: "We respect you as a labor leader—the greatest in the U.S."

Two years later, soon after the Teamsters' new headquarters went up in Washington, Beck won even more heartwarming tribute. At a testimonial dinner, Eric Johnston, watchdog for the motion pictures industry and past president of the U.S. Chamber of Commerce, turned to Beck with some unblushing doggerel:

If I had a key to heaven
And you didn't have one too,

* It was beside Tobin at a Teamsters' dinner that Franklin Roosevelt made his famed 1944 fourth-term campaign speech on how mad his dog Fala was getting at Roosevelt critics.

I'd throw away my key to heaven
And go to hell with you.

Be It Ever So Humble. Despite his national prominence, despite the fact that he has been a White House visitor under both Democratic and Republican Administrations (although he regularly voted for Franklin Roosevelt, Beck supported Eisenhower in 1952 and 1956), Dave Beck's heart remains in Seattle. "I would rather be a lamppost on Seattle's Second Avenue," he likes to say, "than own all of Miami Beach." Small wonder—for Teamster Dave Beck, even Seattle's lampposts shine with the gleam of all that is golden.

Dave Beck's Seattle day begins at 7 a.m. when he leaps, without the benefit of an alarm clock (his mind, he says, has an automatic timer), from the right side of the Hollywood bed in which he and wife Dorothy sleep. Two gilded cherubs smile down at him from a wall of the master bedroom in his renowned Teamsters'-bought home. Planned by Dorothy, the pastoral décor of the Beck's Roman brick ranch house can only be described as "Teamsters' traditional."

In Seattle, Dave Beck can take a morning constitutional instead of a day-long Constitutional. Ready on his own place for his inspection are broad lawns, elaborate rock gardening, an artificial waterfall, and a junior-sized railroad for the entertainment of the neighborhood kids. Beck can even take a refreshing dip in his tiled, heated swimming pool. On hand to escort him, and to rub him down afterward, are some of "The Boys" from "The Compound," one of the nation's most remarkable neighborhood complexes.

When Chez Beck was built, also thrown up around it was a cluster of relatively modest homes to be occupied by Beck satraps. The Compound's residents:

¶ Norman Gessert, a cousin of Dorothy Beck. He acts as a bodyguard for Dave Beck Jr., has been on the payroll of one of the Teamsters' numerous captive locals, was employed by reliable Nate Shefferman, serves as president of a Beck-dominated beer distributorship.

¶ Richard Klinge, a hulking, ex-University of Washington football guard, and classmate of Dave Beck Jr. Klinge is one of Dave Sr.'s early-morning walking companions, serves (with no visible results) as Beck's masseur, is secretary-treasurer of a Teamster local, and owns a Seattle tavern financed by Beck's Teamsters.

¶ Albert Irvine, vice president of the Beck-controlled beer distributorship.

¶ Jack Stackpool, a hefty ex-Washington fullback, who alternates with Klinge as Beck's hiking pal, also is business agent for a Teamster local.

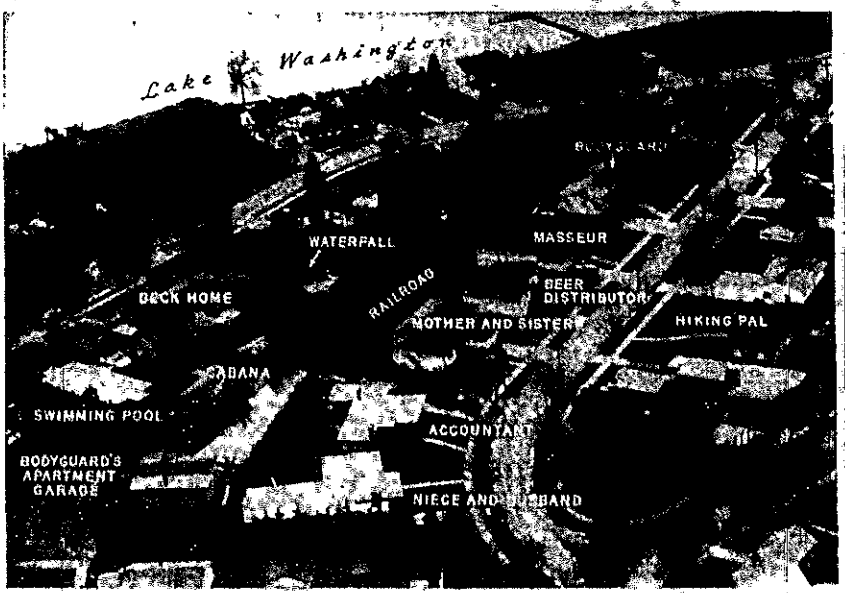
¶ Mrs. Lemuel Beck, Dave's 87-year-old mother, and Dave's sister, Mrs. Reta Henne, who is a switchboard operator at the Teamsters' Seattle headquarters.

¶ Stewart Krieger, an accounting official in the Teamsters' welfare office.

¶ Joe McEvoy, husband of Dave Beck's niece, a director of firms playing a prominent role in Uncle Dave's financial manipulations.

"I've been as goddam interested in all these kids as I have been in my own son," says Dave Beck. "That's why I developed the whole place and sold their places to them at cost, loaning them the money where it was necessary."

There's No Place Like Home. From the windows in his office of the Teamsters' tan brick Seattle headquarters, Beck can point out across Taylor Avenue to five lots that he owns. Around the corner on Denny Way is the service station he co-owned with the Teamsters' Western Conference Chairman Frank Brewster (who recently sold his share, but not until after the station had sold the Teamsters at least $165,000 worth of service from 1950 to 1955). Near by are the two parking lots Beck bought for $28,000 and sold to the Teamsters for $135,000. Looming over the entire area is the Grosvenor House apartment-hotel that Beck and friends built (with U.S. Government financing) in 1949.



Marshall Lockman

BECK'S LAKEFRONT COMPOUND
Where a man can take a constitutional instead of a Constitutional.

"Real estate is my dish," blares Dave Beck, who has, since the Internal Revenue Bureau began investigating his finances, cashed in at least $900,000 in real-estate holdings. "Sure, I've made money with it. But that's also part of the way Dave Beck has increased the assets of the international union by $9,000,000 since he became president." In an analytic mood, an old Beck associate says: "When Dave talks about money, it's like some other guy talking about a beautiful broad—he gets a gleam in his eye. The only pinup in Beck's mind is that good green stuff with numbers on it."

Back at the Compound, Beck often spends a quiet evening with Dorothy, a gentle, grey-haired woman who suffers from high blood pressure. Beck likes to read ("I've read nearly everything ever written about Napoleon"; "I just got through *Citadel* by William White of the N.Y. *Times*, and incidentally, it's a hell of a condemnation of the excesses in congressional investigations"), and he also enjoys television. He dotes on big-money quiz shows. "I do fairly good on some of those questions," says Beck, in a rueful comparison with his answers on John McClellan's quiz show.

Some nights Beck dresses in slacks and pocket-monogrammed smoking jacket to play host in the underground layout that is the real showplace of his home. Some of the Compound's boys are always on hand to run the 35-mm. CinemaScope movie projectors in his 45-seat theater. Others are ready to tend the bar, embellished with a union label and well stocked both in spirits and in soft drinks for Teetotaler Beck. Also on the underground level is a ballroom, complete with blond electric organ, a spinet piano, and a carefully illuminated portrait of the Teamsters' President Dave Beck.

On occasion, Beck will take a visitor out back to point out the apartment above his four-car garage. (Actually, his two Lincolns are kept in another garage.) There stay the Compound's rotating bodyguards, constantly on hand because Beck is obsessed with the notion that an unknown "they" are trying to kidnap Dave Beck Jr., a walloping 35-year-old 210-pounder. "If you were out here alone," Beck tells his guest, "you'd be pinned back up against the wall by now."

Whatever the evening occasion, Beck is usually ready by midnight to pull on his short nightgown ("Although," he says, "at $50,000 a year—just in salary—I ought to be able to buy silk pajamas without anybody thinking a goddam thing about it") to hop into bed for half an hour's reading, *e.g.*, *Harper's Bazaar*, before his frenetic day ends.

Apologies? Teamster Beck, at 62, is already eligible for retirement at his full $50,000 salary. Sometimes the idea even appeals to him. "Hell," he tells a visitor

not on thing in the whole world would take Mrs. Beck any happier than for me to tell her I was quitting. Go ahead, go ahead and ask her." The visitor does. But before Dorothy Beck can answer, Dave is excitedly egging her on. "Go ahead," he cries. "Go ahead, tell him how happy it will make you!"

But in actual fact, Dave Beck probably will have to be carried out of the Teamsters first—and even then he will be kicking furiously. "Why am I staying?" he cries. "Why will I run for re-election [to another five-year term] next September and win? I'm staying because I love the labor movement. Why does a Catholic priest stay on? Why a minister? Why scientists? That's their life. The Teamsters are my life. I don't think the Teamsters have paid Dave Beck a goddamn cent more than he's been worth, and any day they can get another man, let them go get him."

Then, querulously, Dave Beck asks: "What the hell apologies do I have to make?"

Round-up Time in Portland

Indicted with 33 others by a Portland, Ore. grand jury last week in the aftermath of the Senate investigation into Western Teamsters' attempts to take over the city's rackets (*see* PRESS): Mayor Terry D. Schrunk, 44, longtime (1949-56) Democratic County sheriff until he won the top job with Teamsters' backing last fall. The charges: 1) accepting, while still sheriff, a bribe "in amount unknown" (commonly put at $500) from Teamster-linked Gambler Clifford Bennett during a raid on Bennett's after-hours joint in 1955, and 2) perjury before the grand jury by denying he took the bribe. Testifying before the McClellan committee, Schrunk had also denied the bribery charge despite sworn testimony by eyewitnesses, demanded a lie-detector test, stalked out when the questions got too hot: e.g., Had he in fact ever been paid off by gamblers?

Biggest wheel among Schrunk's fellow defendants: Teamster-sponsored Democratic District Attorney William M. Langley, 41, who repeatedly took the Fifth Amendment at committee hearings, e.g., when accused of conspiring with Teamster leaders to expand Portland vice operations. Bill Langley, already under a three-count indictment for malfeasance (*e.g.*, corruption, incompetency, delinquency, etc.) in office, was re-indicted on substantially the same charges with a fourth thrown in: receiving a bribe for allowing certain gambling operations to run.

Released on bail, Schrunk and Langley defiantly insisted they would continue as mayor and district attorney despite the indictments.

THE PRESIDENCY

The Case for the Budget

"Get out of town and do some thinking," Dwight Eisenhower sometimes advises his top aides. "You just don't have time to think in Washington." While lolling aboard the missile cruiser *Canberra* during his six-day holiday from Washington, the President found time to think through to a basic decision: in view of the national outcry for economies in the Federal Government, he must make a direct and vigorous defense of his budget.

His first opportunity was at his press conference last week, and he made careful plans to speak out. But the first question on the subject sharply illustrated the pettifogging nature of much of the talk about budget cuts. Asked William McGaffin of the Chicago *Daily News:* "Would you be willing to do without that pair of helicopters that have been proposed for getting you out to the golf course a little faster than you can make it in a car?" At the question Eisenhower showed more anger than most Washington correspondents have ever seen him betray. His face bleached, and then a flush of red spread upward from his neck. After a moment of dead silence he glared, and his words came like small-arms fire. "Well, I don't think much of the question, because no helicopters have been procured for me to go to a golf course."*

Herblock, © 1957, The Washington Post Co.
"HELICOPTER ERA"

"Futile" Talk. When Edward P. Morgan of the American Broadcasting Co. later went back to the budget area, the President seized the opportunity. "I am afraid you have opened up yourself for a little speech," he said. "This budget was not only made carefully, it was made intelligently. [It is] futile to talk about the U.S. keeping up the position it must keep up in the world and measurably sticking to the programs that have already been adopted in the U.S. . . . and cut that budget severely."

"Foreign aid," he said, taking up the budget cutters' favorite target, "has no pressure group in any district in the U.S. . . . But I say to you there are no dollars today that are being spent more wisely for the future of American peace and prosperity than the dollars we put in foreign aid." He defended his embattled $451 million school-aid program as a one-shot emergency undertaking: "While I don't believe in the general theory of Federal Government supporting education throughout our country all the time, I do believe this deficit must be made up."

The President jabbed at congressional critics of his budget: "I must say it is a very great satisfaction to me to find out there are so many economy-minded people in Washington. They didn't use to be here." He followed up with the hardest whack at Congress that he has ever dealt in public: "But now let's—if anyone is interested in economy, let's go to the things that are open for all to see. Take . . . the . . . great number of public works that are authorized without proper engineering studies to back them up. Congress authorizes them. Why? It must be for political purposes, because the engineering department has not said they are necessary" (*see below*).

"Fatuous" Talk. When the President brought the essence of the budget-cutting controversy into sharp focus, as nobody in the Administration, or on Capitol Hill, had managed to do before, despite the torrents of talk. "If you are going to save this money," he said, "you have got to look at programs [and decide] what programs you want to eliminate." In "all sorts of ways," he continued, "the Federal Government has been assuming responsibilities by law that, if continued, are just going to cost money. And it's just fatuous to get up and say we are just going to save all this money, and then not do something about federal responsibilities already given to us."

At last the President had made the case for his budget that he should have made long before: the Administration feels that it has sent to Congress the best budget it can devise in the light of 1) the Government's responsibilities set by law, 2) the demands of security in a troubled world, and 3) the needs and demands of the people of the U.S., as represented by the members of Congress. If Congress can find ways to cut the budget and still meet those requirements, it should do so.

THE CONGRESS

The Cut That Fattens

The U.S. Senate, which has been sending up skyrockets about economy, last week got its first chance to cut President Eisenhower's budget, and fell head over heels into its most cherished federal-spending outlet—the pork barrel. Up for consideration was that pork-packed perennial, the rivers and harbors bill, an assortment of 100 public-works projects, including one for every state in the Union except Rhode Island and Nevada. President Eisenhower vetoed the bill last year because it included so many projects that

* The helicopters were purchased chiefly to facilitate the President's trips from the White House to National Airport, which often involve delays and tie-ups in Washington traffic stopped to permit him to pass. But the golf question had been left hanging by Presidential Press Secretary James Hagerty last month, when he said he would not rule out the possibility that the President might some time use a helicopter to go to Burning Tree for golf.